

LOWER PAXTON TOWNSHIP  
BOARD OF SUPERVISORS

Minutes of Budget Workshop Meeting held November 25, 2003

A workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:14 p.m. by Chairman William B. Hawk on the above date in the Lower Paxton Township Municipal Building, 75 South Houcks Road, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were William C. Seeds, Sr., William L. Hornung, Gary A. Crissman, and David A. Blain.

Also in attendance were George Wolfe, Township Manager; Donna G. Speakman, Finance Director; and Brian Luetchford, Parks and Recreation Director.

**Pledge of Allegiance**

Mr. Hawk suspended the recitation of the Pledge of Allegiance.

**Public Comment**

There was no public comment.

**2004 Budget**

Mr. Wolfe noted that that the Police Department and Sewer Authority budgets have been reviewed and adopted at previous meetings.

Mr. Wolfe noted that the General Fund includes the Liquid Fuels Fund which helps to maintain the roadways, and the General Improvement Fund is the Capital Budget for Township projects. In addition there is a Debt Service "Sinking Fund" which is part of the General Fund used to retire debt for the Public Works Building, the Fire Equipment Capital Fund, the FCC Operating and Capital Fund, the Sewer Operating and Capital Fund, and the Fiduciary Funds for the Township's two pension plans.

Mr. Wolfe noted that one major area of concern is how much the Township has in the savings account. Mr. Wolfe noted that he is expecting the end of the Fiscal Year 2003, prior year revenues to be \$9,666,186. He noted that this is a staff estimate of the Township's savings account. He noted that \$750,000 is pledged or reserved for the parks fee-in-lieu capital expenses or to the Debt Service 'Sinking Fund' for the retirement of bonds for the Township Public Works Department.

Mr. Blain questioned how that compared with the Fiscal Year 2002 end budget. Mr. Wolfe answered that it is \$217,000 more than last year.

Mr. Blain noted that in the past, there has been a trend of well over \$1 million surplus from the budget, but he noted that recently, the positive gap between revenues and income is becoming smaller. Mr. Wolfe noted that the Township is at the 65% level for the savings account to budget, and the Board of Supervisors has stated unofficially that they would like to keep at least 50% of annual operating funds on account for rainy day needs. Mr. Wolfe noted that since 1996, the Township has had a balanced budget, or a positive surplus. He noted that during previous years, there has been an excess of over \$1 million, allowing the Township to accumulate \$10 million dollars in the savings account.

Mr. Wolfe noted that in the past three years, the year-end balance fund has been much closer. He noted that this is due to the large capital projects that the Township has undertaken, as well as increased services to the residents. Mr. Wolfe noted that the adoption of the 2003 Vision Three-Plan for the Police Department will use some of the unencumbered surplus.

Mr. Wolfe noted that the projections for the future are that the revenues would stay slightly ahead of the expenditures. Mr. Wolfe noted that the revenues have increased on the average of 4.1% a year, with the expenditures increasing on an average of 4% a year. Mr. Blain questioned if the chart for projected future trends was what the Township projected for the future. Ms. Speakman noted that she could not project the exact future trends, and the chart

shows projected expenditures at a 3, 4, and 5% level. Mr. Blain questioned if staff was basing their projections on historical numbers. Mr. Wolfe answered that they were, and that this was used to base a simple projection for future expenditures.

Mr. Wolfe noted that the proposed 2004 Budget balance is \$18,125,688. Mr. Hawk noted that it was a large jump from the previous year. Mr. Wolfe noted that \$3,384,000 was taken from the saving account and distributed to the General Improvement Fund for capital projects. He noted that this would draw down 1/3 of the savings account to undertake the remaining capital projects. Mr. Wolfe noted that the operations budget would then be \$14,471,688.

Mr. Seeds noted that the resolution for the taxation rate for 2004 was missing. Mr. Wolfe noted that that would be completed after the budget is approved.

#### General Improvement Fund

Mr. Wolfe explained that \$3.5 million dollars would be transferred into the General Improvement Fund and the total amount for the General Improvement Fund Revenue would be \$6,425,000. Mr. Wolfe explained that the FCC Operating Budget is \$1,968,800, and that the FCC Capital Budget is expected to have a balance at the end of next year of \$495,000. He explained that the Fire Equipment Capital Fund next year's balance would be \$211,700 and the debt to the Township would be paid off. He noted that the assets in the Police Pension Fund are a little over \$13 million and the Non-uniformed Pension Fund is \$5.5 million.

Mr. Wolfe noted that \$25,000 has been budgeted to begin implementation of the Comprehensive Plan by amending the subdivision and land development regulations. An additional \$10,000 has been included for the recodification of the ordinances.

Mr. Wolfe reported that \$515,000 has been budgeted for the Traffic Signal Program. He explained that the Township is trying to convert the traffic light bulbs from incandescent to LED. He noted that the traffic lights that the Township uses are not tethered, and LED technology creates dead spots unless the lights are stable. He noted that the Township hopes to be able to

purchase PENNDOT-approved bulbs next year which would cost \$65,000. In addition the engineering cost for the traffic signal installation at Nyes Road and Locust Lane is budgeted at \$200,000 for the \$2.5 million project. Mr. Wolfe noted that staff has proposed that the Township should enter into a reimbursement agreement with PENNDOT to accept the Township's providing the engineering for the project up-front, with PENNDOT completing construction work after the engineering is done. He noted that this would be very similar to the Village of Linglestown Project with a typical municipal contribution of 20% local and 80% PENNDOT, or 90% - 10% if the Commonwealth has federal funds to add to the project.

Mr. Wolfe explained that staff had included funds to conduct an engineering study in the amount of \$200,000 for a troubled intersection in the Township, and that staff has proposed that Devonshire at Colonial and Valley Roads multiple intersection project be studied. He noted that property acquisition and significant road realignment would be involved in this project.

Mr. Wolfe noted that the three road improvements budgeted for the year 2004 are the Page Road extension project for \$340,000, Locust Lane and Franklin Street at \$215,000, and the relocation of Conway Road at Union Deposit Road for \$950,000. Mr. Wolfe noted that he has not met with the neighbors in the Franklin Street area and hopes that the current one-way traffic street pattern would continue to serve the neighbors positively. He explained that HRG has prepared a schematic engineering plan for the Conway Road project, and the developer of the Huntleigh Subdivision has provided the necessary right-of-way for the project. He noted that it would be advantageous if this project could be completed at the same time as Mr. Hatter's project and the sewage treatment plan, as there would be a tremendous amount of fill material that will need to be disposed of, and both the sewage treatment plan and Mr. Hatter's project need fill.

Mr. Wolfe noted that the Township has committed to the Linglestown Village Project \$530,000 which includes the contract with The RBA Group at \$470,000, \$30,000 for PENNDOT

project administration, and additional \$30,000 for Delta Development to complete their 3-month contract.

Mr. Wolfe noted that there is a commitment to the Central Dauphin School Board to build a concession stand at the Central Dauphin East Football field in support of its use by Paxton Athletic Association. Mr. Luetchford noted that he recently sent a letter to Mr. Shatto and the School Board seeking approval as to where the concession stand would be located, in the area of the 50-yard line of the south field, outside of the track. He noted that paving would be required for vehicular access to the building. He noted that the footprint is proposed to be 32' by 14', involving a ten foot side storage area on one end, with a 22' x 14' concession stand on ground level and an announcement booth on top of the concession stand.

Mr. Seeds noted that he has some concerns since there are no restrooms included in the plan. He noted that this is the reason he wanted the project completed in the first place. Mr. Luetchford noted the need for restrooms in the planning stage. Mr. Crissman noted since the School District is in the midst of a major capital improvement project, he suggested that this should be completed now, since the area is all torn up. Mr. Seeds questioned how much more the restrooms would cost. Mr. Luetchford noted that at this time, he does not know. Mr. Seeds noted that they are requesting water and drainage for the concession stand, and he suggested that it would make sense to put the restrooms in now. Mr. Hawk and Mr. Crissman agreed, and Mr. Blain noted that if the Central Dauphin School Board would do the work, the Township would reimburse them for the cost. Mr. Seeds noted that he does not want to fund this project unless restrooms are included. He noted that it would be good to have the restroom in this location for other Township and School-sponsored sporting events.

Mr. Wolfe noted that the Board of Supervisors would be meeting with the Central Dauphin School Board after the first of the year. Mr. Wolfe explained that the issue of purchasing the "Leisure Tract" would be discussed at that time. He noted that a second budget

item for the purchase of the “Leisure Tract” for \$290,000 has also been included in the 2004 budget. He noted that this is based on the purchase price of \$10,000 per acre with 27 acres available, with an additional \$20,000 budgeted for developmental issues. Mr. Wolfe noted that Mr. Mausner has indicated to him that the School District is looking for three times that amount based on an initial appraisal. He noted that a developer is also looking at the tract as well. Mr. Crissman noted that the School Board is awaiting a second appraisal for that land.

Mr. Seeds noted that he does not want to fund the concession stand unless it includes restrooms. Mr. Blain questioned if the \$75,000 includes funds for restrooms. Mr. Wolfe noted that that was the Township’s commitment for their part of the agreement. Mr. Crissman noted that the funds are part of the budget, but no specific use has been set at this time. Mr. Crissman suggested that the School District should install the stand now, noting that it would make sense to install bathrooms for their patrons use. Mr. Seeds noted that he would rather pay for the restrooms, and have Paxtonia Athletic Association pay for the announcing both.

Mr. Hawk questioned if Mr. Mausner is expecting to get three times the amount of \$10,000 per acre. Mr. Blain noted that many of the developers in the R-1 zones are selling lots for \$30,000 per lot. Mr. Crissman noted that the School District wants more for the 30 acres than they paid for the whole “Leisure Tract”. Mr. Seeds questioned what the area was zoned. Mr. Wolfe noted that it was zoned R-1. Mr. Seeds suggested that HRG should review the land, to inquire how much of the 30-acre tract is developable. Mr. Luetchford noted that most of the land is rolling land and it is developable. Mr. Crissman noted that all of it would be developable except for the wetland area and the dog-leg.

Mr. Hawk noted that the Central Dauphin School District would expect the Township to contribute to the turf costs at Landis Field and other improvements. Mr. Blain questioned when Mr. Mausner would get back to the Supervisors. Mr. Crissman noted that Mr. Mausner needs to wait till he receives the second appraisal, and the new Board members are seated after the first of

December. Mr. Crissman noted that the School Board reorganizes the first week of December.

Mr. Seeds suggested that the budget item cost remain as it is.

Mr. Wolfe noted that the Township proposes to spend \$100,000 to improve the operation of the methane gas collection system at the landfill.

Mr. Wolfe explained that he has received correspondence regarding the FCC Senior Annex, from Dauphin County, awarding an additional amount of \$50,000 in grant funds. He noted that added to the previous award of \$75,000 that brings the total to \$125,000. He noted that the proposed cost of the project is \$300,000.

Mr. Wolfe explained that the Township has applied to Pennsylvania Department of Natural Resources for funding in the amount of \$25,000 for a greenway study to develop an inter-municipal greenway program.

Mr. Wolfe noted that he had budgeted \$28,000 for traffic calming for Continental Drive.

Mr. Wolfe explained the he has budgeted \$24,000 for utility costs for the old municipal building.

Mr. Wolfe stated that \$1,100,000 has been budgeted for municipal building renovations to the new center, \$25,000 for the GIS System, and \$1,848,000 for George Park construction. This would include engineering studies, park construction for roadways and facilities, and a community environmental project.

Mr. Luetchford noted that the project includes an opportunity to perform environmental education with the construction of a walkway along the various fields in George Park in the wetlands. He noted that this would include inter-actional kiosks for an area of 500 feet along the wetland area. Mr. Wolfe questioned what the projected overall construction costs were for this project. Mr. Luetchford noted that including all the fields, stands, irrigation etc, the project is estimated to cost in the year 2004, \$264,000 and in the year 2005, including the in-line hockey, play equipment and paving of driveway and parking lots, it would be \$680,000. He noted that

these estimates include good quality equipment. In addition, ball court lighting would cost \$230,000, and the two ball fields north of the driveway would cost an additional \$180,000. Mr. Seeds recalled that the Board of Supervisors decided to run the electric to the area of the proposed pavilions and ball courts in order to install electric in these areas for future use. He noted that it was proposed to run water for an irrigation system in the event the Paxtonia Soccer Association would want to install and pay for the system. Mr. Luetchford noted that the Township may need use of an irrigation system in order to meet the proposed deadline for the fall of 2005. He noted that any possibility of a drought would hinder this effort, and suggested the use of a water reel system, and spigots in the area, to feed this type of system. Mr. Seeds noted that the Linglestown Football Association pays for this type of system; therefore the Soccer Association could do the same.

Mr. Wolfe noted that he expects to solicit earth-moving bids in December 2003. He noted that there have been delays on the part of HRG for this project, and that the Township staff is not happy with their performance.

Mr. Wolfe noted that \$850,000 is proposed to closeout the construction and retainage for the new municipal building project. In addition, the telephone, security, audio/visual, computer network switches and UPS system, high density filing system, moving company expenses, furniture, and miscellaneous items are budgeted at \$250,000.

Mr. Seeds questioned where the Township stands regarding the Department of Environment Protection (DEP) permits for George Park. Mr. Luetchford noted that he hopes to hear from DEP in the near future. Mr. Seeds questioned if the bids could be affected if DEP fails to grant the permits. Mr. Luetchford noted that he had been assured by HRG that the permits would be approved by DEP.

Mr. Wolfe noted that that completed his overall look at the 2004 budget for the General Fund.



## Parks and Recreation Budget

Mr. Wolfe suggested that Mr. Luetchford review the FCC, and Parks and Recreation Budgets. Mr. Seeds questioned if the budget item listed as fireworks was to assist with the cost of the fireworks at Koons Park. Mr. Luetchford noted that last year the Committee only asked for \$2,000 as a contribution, although the Township budgeted more. Mr. Seeds questioned why there was an estimated balance of \$5,000 for this category. Ms. Speakman explained that the 2003 Total Amended Budget is what was estimated to be used in that category in 2003. Mr. Luetchford noted that the Township would be prepared to budget funds towards the fireworks in 2004 also.

Mr. Blain questioned what the status was for Koons Park Pool. Mr. Luetchford answered that he has not received any new updates from the Koons Park Pool Board. He noted that they continue to operate, with opening and closing costs incurred by the Township. He noted that until they inform the Township that they cannot continue to operate the pool, the Township is prepared to help with the opening and closing costs. Mr. Blain questioned how much it cost to do this. Ms. Speakman noted that she has not received the closing cost bill from the Koons Park Pool Board. Mr. Luetchford noted that the cost for opening the pool was \$5,000. Mr. Blain noted that \$7,100 is a lot of money to open and close a pool. Mr. Wolfe noted that from his experience it is a fair cost, given the age and the state of the facilities. Mr. Seeds questioned if this included the price of water. Mr. Luetchford noted that it would include the initial supply of water, the cleaning and painting, and the chemicals to prepare the water. He noted that the closing costs would include draining the pool and turning off the equipment. Mr. Seeds questioned if the pool is drained of all the water. Mr. Crissman explained that the pool needs to be drained before it can be cleaned and painted. Mr. Blain questioned if the pool was membership-based. Mr. Wolfe noted that it is a public pool. Mr. Blain questioned if there was enough money to operate the pool without Township assistance. Mr. Crissman noted that the

Koons Park Pool Board reported that they need financial assistance from the Township to operate the pool. Mr. Blain questioned how long the Township would continue to assist to fund the operation of the pool. Mr. Wolfe noted that that would become an issue when a major piece of equipment breaks down, and is unable to be fixed. Mr. Luetchford noted that the Koons Park Pool Board has told him that at that point they would not be able to continue to operate the pool.

Mr. Seeds noted that the pool is located on Township Park land, and the Township had installed a fence around the pool to protect the park land. He questioned how long the Township should continue to support the pool. Mr. Crissman noted that there are a sufficient amount of area community pools who are seeking membership; therefore there may not be enough people to support the Koons Park Pool. He noted that the Township may be forced to make a decision to close the pool. Mr. Blain agreed as well. Mr. Crissman noted that they may need to revamp their rules for membership and add an initiation fee for membership. Mr. Blain questioned how long the Township should continue to support the pool, especially if the amount continues to rise steadily. Mr. Crissman noted that he would like to receive a financial report showing membership, and income from walk-ins. Mr. Luetchford noted that part of the agreement is to provide the Township with an end of the year report. Mr. Crissman noted that if they revamp how they are structured financially, they may be able to make a better go of it. He noted that the Township cannot continue to carry them, but he noted that he does not want the Township to be the reason for closing the pool. Mr. Luetchford noted that when that happens, then a decision must be made what to do with the property.

Mr. Seeds stated that the Police Department is implementing a Community Service Officer (CSO), but he noted that custodial persons would be responsible for cleaning the parks four times a day. Mr. Luetchford noted that there was a significant problem with the restroom cleanliness and misuse, and there was a need to hire a cleaning service to maintain these restrooms. He noted that the budget item allows for a single cleaning during a Saturday for the

four sets of bathrooms located at Koons, Brightbill, and Kohl Parks, and Santana Field. He noted that this should be sufficient for the weekend maintenance. Mr. Seeds questioned who cleaned the restrooms during the week. Mr. Luetchford answered that the facilities are cleaned on Mondays and Fridays by the Public Works Department. Mr. Seeds questioned who checks the restrooms for the paper goods, on a daily basis. Mr. Luetchford answered that the Public Works Department checks the facilities Monday and Fridays, with the Park Rangers checking during the evenings, on a daily basis. Mr. Luetchford noted that the cleaning of the restrooms is a custodial issue and not a Park Ranger issue.

Mr. Luetchford noted that he has budgeted funds for a liaison for the Park Rangers, especially for the first year of the implementation of the new CSO Program.

Mr. Blain questioned if there was a plan to develop a park in the Huntleigh Development. Mr. Wolfe answered that there would be no park at that location. Mr. Wolfe noted that there is some green space, which the developers want the Township to use, but the Township is not interested in the land. The Township would prefer that the developer pay the fee-in-lieu, but the developer would like to dedicate a right-of-way for a greenway along Nyes Road. Mr. Wolfe noted that the right-of-way is five acres of marsh, and all the Township needs is a 30 foot right-of-way in the area. He noted that this would be discussed at the December workshop meeting. Mr. Luetchford noted that the Parks and Recreation Board has discussed acquiring the fee-in-lieu fund and how to acquire the needed right-of-way as well. Mr. Wolfe suggested that the developer pay the fee-in-lieu and the Township would condemn the land. He noted that it is the developer's option to either donate land or provide the fee-in-lieu payment. He noted that the Township does not have to accept the land that the developer wants to donate, stating that it is unacceptable land for park use. He noted that the five acres are not sufficient to meet the terms of the fee-in-lieu ordinance.

Mr. Blain questioned why \$7,000 was budgeted for the Hodges Heights Park. Mr. Wolfe noted that it is for ongoing maintenance.

Mr. Blain noted that there was nothing in the budget for the realignment of Conway Road. Mr. Hawk noted that there was \$960,000 budgeted for that item. Mr. Blain noted that he was referring to the new Conway Road to be constructed in the landfill area. Mr. Wolfe noted that nothing was budgeted at this time, and he stated that it would be a project that would occur when Kenwood Oaks enters Phase IV or V in 2005 or 2006. He noted that the methane gas collection system would be laid out to accommodate the proposed road.

Mr. Luetchford noted that he included on pages 139 and 140, various park improvements for 2004, 2005, and future project costs. He noted that the current park escrow account is \$339,336.75.

Mr. Seeds questioned how many years' payments have been made for the Wolfensberger Tract. Mr. Luetchford noted that three years have been paid on the annual agreement. Mr. Seeds questioned if there would be any environmental issues with this tract of land. Mr. Wolfe noted that the property appears worse than what it is. Mr. Seeds explained that Mr. Yingst has an option to purchase Mr. Wertz's land, and he explained that Mr. Wertz does not want a park next to his land.

Mr. Luetchford explained that the Soccer Association made a plea to the Parks and Recreation Board requesting that part of the Wolfensberger Tract be developed as a soccer complex of eight fields, to include parking and pavilions, etc. He explained that they requested roughly 50 acres be developed as a soccer complex, and that the Soccer Association would like to address the Board of Supervisors regarding this issue. Mr. Luetchford noted that the Parks and Recreation Board has an interest to develop the park for multi-purpose uses. Mr. Luetchford noted that the Soccer Association suggested that if the Township would dedicate land used exclusively for soccer for a ten year period of time, then they could apply to the United States

Soccer Federation for a \$100,000 grant, in addition to a planned \$1,000,000 capital campaign used to assist with developing the Wolfensberger Tract. Mr. Crissman remembered the same request made regarding George Memorial Park. Mr. Seeds noted that the Board of Supervisors indicated that there could be support if they paid all the costs, but he noted that he did not want to go more than 50% land use, and only if they gave back their other soccer fields for other park uses. Mr. Luetchford stated that they would give up all their other fields. Mr. Hawk had a problem with their lack of consideration for other sports. Mr. Luetchford noted that that is true for all the other sports as well. Mr. Blain agreed that he would consider dedicating a large tract of land only if they gave back the other fields. Mr. Wolfe noted that there had been discussions with Mr. Yingst regarding the subdivision of the land, and reserving more areas for preservation of open space. Mr. Luetchford noted that the front 50 acres were farmed, but that the back 40 acres are rolling hills and wooded, and that would be more of a natural preservation area. Mr. Seeds questioned if there was any problems with vandalism in the areas of the houses. Mr. Luetchford noted that there is a problem with vandalism at all the parks. Mr. Wolfe noted that the Township does not own the property yet. Mr. Seeds questioned if Mr. Spangler should close off the area to prevent problems from intruders.

Mr. Luetchford noted that under the revenue section, the fee-in-lieu estimate of \$305,000 is a significant rise in recreation fees for the year 2004. Mr. Wolfe noted that all of the development budget line items have seen an increase.

Mr. Wolfe explained that the FCC Operating Board has prepared their budget and recommended the Board of Supervisors to adopt the budget. Mr. Seeds noted that in 2003, the Township contributed \$200,000 to the FCC Operating Board of which \$100,000 was to subsidize the Parks and Recreation offices. He noted that the Township has proposed a contribution of \$150,000 for 2004, which means that \$100,000, would again be earmarked for the Parks and Recreation Office, leaving \$50,000 to help defray the FCC costs. He noted that in 2005, if the

budget only calls for \$100,000, then the subsidized cost would be nil. He noted that the FCC would be self-supporting at that stage. Mr. Seeds questioned if the \$100,000 subsidized cost for the Parks and Recreation Office is sufficient. Mr. Luetchford noted that when he figures what it costs to run the same amount of programs that are currently being held at the FCC, it would cost a large amount of money. Mr. Wolfe noted that the cost for office rental would not be \$100,000. Mr. Luetchford noted that that figure was based on the offices and the recreation programs that were held elsewhere. Mr. Seeds questioned if the budget was reduced to \$100,000 in 2005, would it be fair to say that the FCC was self-sufficient. Mr. Wolfe noted that it would be fair to say that the initial premise by which the FCC was built has been obtained, in that only \$100,000 would go towards the operations from the General Fund Budget. Mr. Blain questioned how many square feet is used for office space. Mr. Wolfe noted that it would be roughly 4,000 square feet. Mr. Blain questioned what the Township is charging the Capital Tax Collection Bureau for office space. Mr. Wolfe answered that the fee is \$16 per square foot, and it would cost roughly \$64,000 a year. Mr. Blain noted that that amount sounds reasonable.

Mr. Blain questioned what was meant by an annual increase of the budget membership by 3.5 per cent. Mr. Luetchford noted that he is seeing a 2% increase in the number of memberships, along with a 3% increase in the membership rate. Mr. Luetchford noted that the increase in rate is filtered throughout the year as member renews their membership. He noted that it is a 1.5% rate increase. Mr. Crissman noted that there has been an increase in the daily passes as well. Mr. Blain noted that the FCC would not want to continue to operate with a 2% increase in revenues and 5.4% increase in expenses. Mr. Crissman noted that the FCC does not want to price itself out of memberships in comparison to what other businesses are charging in the area.

Mr. Blain questioned how many people have stopped their membership due to the increased rates. Mr. Wolfe noted that very few persons have. Mr. Crissman noted that

everything else is going up as well. He noted that the FCC did not want to be in competition with other similar businesses. He noted that the FCC is trying to balance between being financially in the black and being concerned about the competition as well. Mr. Blain questioned if the FCC raised the rates 5%, would there be a mass exodus to other gyms. Mr. Blain noted that his family uses the FCC for more than just the gym, as other activities are offered as well. Mr. Wolfe noted that the membership rates may have to be raised next year if the Township only budgets \$100,000 for the budget. Mr. Crissman noted that it is too late to raise the rates for this year.

Mr. Crissman noted that the FCC Operating Board is requesting the Township to conduct a feasibility study of the facility and programs by an outside agency. Mr. Crissman suggested that this study should be conducted by an agency similar to Ballard King. Mr. Crissman noted that this would help to determine if what the FCC is being used to its best advantage, or if a consideration should be made to add more space. He noted that the FCC Operating Board feels that there is a need to have an objective view to conduct an assessment of the facility and its usage. Mr. Crissman noted that if the assessment shows the need to add to the facility, then the Township should start to plan financially for this now. Mr. Seeds noted that in January, the FCC would be starting its fifth year of operation. Mr. Crissman noted that if the Board of Supervisors agrees to this, then funds should be budgeted to conduct the feasibility study. Mr. Seeds questioned how much money is needed to do this. Mr. Crissman noted that he had no idea how much this would cost. Mr. Seeds questioned if the Township should pay for this. Mr. Crissman answered that they should. Mr. Blain agreed since it is a Township facility, and the Township owns the building. Mr. Crissman noted that the Township is ultimately responsible for the facility, and it would be prudent to conduct a study of the facility. Mr. Crissman noted that it would make sense to know that what we are doing at the FCC building is fine, or if there is a need for improvements in certain areas. He noted that it must be performed by an outside agency

because the FCC Staff is too close to the situation to be totally objective. He noted that another reason why this should be done is the recent receipt of \$125,000 grant money for the senior center. Mr. Wolfe noted that the Township has committed \$175,000 to the senior center as well. Mr. Blain noted that it must be very clear that these funds are for the senior center only. Mr. Seeds noted that he thought the senior center would not be considered until the FCC had over 2,500 members. Mr. Hawk noted that that had nothing to do with the senior center. Mr. Crissman noted that it would be wrong to make a decision to automatically build an addition once a certain membership number is reached. He noted that it would be better to conduct a study by an outside agency who would determine if there was enough justification to construct an addition. Mr. Crissman noted that the consultant might suggest building an addition to the work out center or a specific area, and not the whole facility.

Mr. Hornung noted that it has been his experience in business that the people working closest to the situation know the best the way the business should be run. He noted that you have to grow where the people want you to grow, not where you want to grow. If you listen to what the people want, you will continue to grow. He stated that the employee who works the job every day could tell you where to add, or what to do. He noted that 90% of what a consultant does is to ask information of those working the daily routine to develop their source of information, to reformulate it, to feed it back to the customer. He noted that it is a waste of money, but he would rather have the FCC staff come in and talk to the Board of Supervisors. He noted that the FCC staff could be sent out to review other facilities as well. Mr. Hornung noted that his question has always been what a facility; the size of the FCC is capable of doing membership wise. He noted that the membership numbers he has been given are far greater than the numbers that the FCC currently has, and he questioned why the numbers are not greater. He noted that the Township chose not to compete against local businesses. Mr. Wolfe noted that as a regular member of the FCC, there is no way that facility could handle an increase in membership of 15% to 20%. He



noted that he was at the facility last evening between 5 p.m. and 6 p.m. and there was no place to work-out. He noted that the gymnasium, pool, and work-out centers were full. He suggested that the members using the FCC may be more active users than those who use other facilities. Mr. Wolfe noted that there are plans for an expansion over the course of the next few years, but he explained that the current size of the facility could only handle up to 3,000 members. Mr. Blain noted that a consultant may suggest better space utilization. He noted that a consultant would be aware of the average membership rate for the region. Mr. Hawk noted that he agreed with Mr. Hornung in regards to the people who work the business every day having a good handle on what is needed.

Mr. Hornung noted that wherever the hot spots are, is where the growth is needed. He noted that he would not have a problem hiring a consultant, such as an engineer, to determine how more space could be utilized or provided, or to figure a way to use the existing space more efficiently. Mr. Hornung explained that he believes in bottom-up-management, but would be willing to allow a consultant to conduct a study to make suggestions. Mr. Crissman noted that he did not disagree with Mr. Hornung, but he noted that the first persons a consultant would want to talk to is the employees running the programs. Mr. Crissman noted that a good consultant would listen to what they are doing, verify it, and then make the appropriate recommendations. This recommendation may very well be that the Township is doing everything right, or that there is a need to redesign how the facility is being used. He noted that the Township would not want to make a decision to add to the building if it was not needed.

Mr. Hawk questioned Mr. Crissman if he was willing to spend \$50,000 for what Mr. Luetchford already knows. Mr. Crissman noted that he is not willing to pay that much. Mr. Blain noted that it is the consultant's responsibility to pull all the research information together to determine what the most important thing is that could be done to reduce costs and raise revenues. He noted that the consultant might come up with some creative ideas that the

Township never considered. Mr. Blain noted that it is not throwing money away. Mr. Hawk noted that the other side of the view is that part of what they do is to perpetuate their own business. Mr. Hornung noted that from the ground-up management provides two things; usually employees have a good sense of what is going on in the business, and secondly, when you listen to the employees, and act and go with a certain project, then they become a part of it, and they become part of the team to make it work. Mr. Hornung noted that he does not want to spend more than \$5,000 to hire a consultant. He noted that a consultant could circumvent the group-up managing style of working.

Mr. Blain questioned Mr. Luetchford as to his thoughts regarding this matter. Mr. Luetchford noted that he would be skeptical about adding to the building unless he was sure from a business standpoint that it would make sense to do so and yet remain self-sufficient. He stated that he has not considered an addition, and this would be his first step in the process. He noted that the facility is running near-maximum at this time, and he suggested that the facility is at a point where an expansion might be needed. He noted that five or six years ago, when the consultants were used, staff worked with them intently and minimized the cost of the work. He noted that the consultants provided the national and international objective information to help staff come to a conclusion. He noted that he was under the impression that the Board of Supervisors were happy that the role of the consultant was limited by the work performed by staff. Mr. Blain questioned how much was spent originally for hiring the consultants. Mr. Wolfe noted that he could get the numbers, but noted that a third consultant was used at that time also. He noted that each consultant brought their own expertise to the project.

Mr. Wolfe questioned if the Board of Supervisors would want to have a bigger facility if it was justified. He noted that he was not sure there would be support to add to the facility. Mr. Seeds noted that the FCC is different from other facilities because it is a more family orientated facility. Mr. Seeds noted that many teenagers use the facility for social purposes, and tend to use

the equipment without consideration for anyone else. He noted that this is not like a normal gym where you go, do your exercises and leave. He noted that this adds to the problems at the facility, and he noted that he was not sure how to fix it.

Mr. Hornung questioned where the demand exceeds the need. Mr. Luetchford noted that the demand can be great for all locations, but he noted that the fitness center and the pool generate the most income for memberships. Mr. Wolfe noted that he was amazed at how packed the facility was last evening. Mr. Blain noted that he has been in the facility at 5:30 in the morning and every treadmill was being utilized. Ms. Speakman noted that many of the adult members join for fitness purposes.

Mr. Hornung questioned what the main reason was for the cancellation of memberships. Mr. Luetchford answered that the exit interviews shows that the two main reasons are the cost or due to the members relocating out of the area.

Mr. Hornung noted that Mr. Ballard, the consultant, seemed to know what he was doing five years ago in the planning stages. Mr. Hornung stated that he would not mind hiring Mr. Ballard to review the facility and suggest ideas regarding the facility. Mr. Crissman noted that the consultant could be hired to review the facility, and determine if anything needs to be done. Mr. Hornung noted that he is interested in finding out what the facility could do incrementally to make the facility more profitable. Mr. Crissman noted that we do not know if the facility is serving to its potential. Mr. Horning noted that he would support someone like Mr. Ballard to review the facility.

Mr. Hawk noted that it would be good to have an outside unbiased perspective of how the facility is functioning, but he noted that the best results are attained when participatory management is used. Mr. Hawk noted that by combining the two systems effectively, to give guidance, the two entities would provide the best answers. He noted that there may be a need for expansion in the future, but modification could presently be made to maximize dollars. Mr.

Blain agreed that a good consultant would be tasked to show how to make the facility more profitable, and how to better use available space. Mr. Hawk noted that one consideration to keep in mind is that a consultant is selling their own product. Mr. Crissman noted that Mr. Ballard's gain would be to make the facility better, sharing the Township's goal.

Mr. Hornung noted that since Mr. Luetchford is not sure, at this time, what should be done at the facility, then it would be good to hire a management consultant to help him with this task. He noted that this should be done with Mr. Luetchford's involvement. He noted that if Mr. Luetchford is not sure how to improve the facility, then it would be a good idea to bring someone in who has more expertise, or to send him to other facilities to review their operations. He noted that he would be willing to do what Mr. Luetchford feels should be done. Mr. Crissman noted that it was never the intent to take the employees out of the process, noting that whatever the consultant suggests, the employees must be willing to do. He noted that a consultant would not make a recommendation that he knows would not be accepted by the employees. Mr. Crissman noted that it would be good to have an outside expert verify that what the FCC is doing is the right thing. Mr. Hornung noted that his personal philosophy is that he does what he thinks is right, and does not care what the public thinks.

Mr. Wolfe suggested that he and Mr. Luetchford could create a "scope of work" for a consultant to provide a proposal for the Board of Supervisors regarding the FCC. He noted that he could do this within the next two weeks, allowing the Board of Supervisors to review the scope of work and acquire a cost estimate from Mr. Ballard to include in the 2004 budget. He noted that the scope of work would be scrutinized by the Board of Supervisors to determine what they want a consultant to study at the FCC. Mr. Crissman noted that it would be nice to have Mr. Ballard scrutinize his prior suggestions given to the Board of Supervisor five years ago. Mr. Blain noted that a good consultant's goal would be to do a good job in order that he could be called back to be used in the future. Mr. Wolfe noted that Mr. Ballard is the man who could tell

you about the operational scope of the facility. Mr. Blain noted that a cap could be put on the price of what the Township would be willing to spend for a consultant.

Mr. Wolfe questioned Mr. Luetchford if Mr. Ballard conducted follow-up work once the facility opened. Mr. Luetchford answered that he has been in contact with him since the opening. Mr. Wolfe noted that Mr. Luetchford receives many phone calls regarding the operations of the facility. Mr. Blain noted that the facility is well run, and the people are friendly and helpful. Mr. Crissman noted that that is due to Mr. Luetchford and Ms. Wuestner's management style. Mr. Blain noted that the Board of Supervisors are meeting the goals that they set when they approved the building of the facility years ago, and he is very happy with this. Mr. Crissman noted that the Operating Board is very supportive to the overall operation of a well run facility. He noted that they are of the mindset that if there is a need to add on in the future, then they should be looking for ways to raise money for future expansion.

Mr. Hornung questioned if there are times when the equipment is in low usage. Mr. Luetchford noted that from 10 am to 11:30 am and from 2 pm to 3 pm there is low use. Mr. Hornung noted that that is not a large block of time for low use of the equipment. Mr. Blain noted that the facility is used heavily in the beginning of the week, and that the treadmills and bicycles are used very heavily, but not as much as the weight room area. Mr. Luetchford noted that more equipment would be purchased for the cardiovascular area. Mr. Blain noted that the swimming pool is used heavily as well. Mr. Crissman noted that he does not like to have to wait for pool lanes, just like other members do not like to wait for equipment. Mr. Wolfe noted that many of the members use the FCC more than members at other facilities.

Mr. Hornung questioned if the area of the pool tables could be used for something else. Mr. Blain noted that it is used all throughout the day.

Mr. Wolfe noted that the budget balance for the FCC for the Capital Fund is a little less than \$485,000. He noted that there are no plans for using that money, and he noted that all operating surplus balance is added to the Capital Fund.

Mr. Wolfe noted that Mr. Blain has requested that the Capital Tax Collection Bureau be invited to address the Board of Supervisors at the next budget meeting.

Mr. Wolfe suggested continuing the budget meeting on Tuesday, December 2, 2003, prior to the next business meeting. The Board was in agreement, and the next Budget Workshop Meeting was scheduled for Tuesday, December 2, 2003 at 6 p.m.

### **Adjournment**

There being no further business, the meeting adjourned at 8:45 p.m.

Respectfully submitted,

Maureen Heberle

Approved by,

Gary A. Crissman  
Township Secretary